

# "A VERY STRONG CASE,"

TYPICAL OF MANY THOUSANDS,

## SHOWING THE INJUSTICE OF SPECIAL TAXATION OF GROUND-RENTS.

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In the course of his evidence before the House of Commons' Committee on Town Holdings, on May 16th, 1890, Sir Thomas Farrer stated that he had received the following letter from a correspondent:—

"I should like to put before you the following case, which is typical of tens of thousands in this country:—I am trustee for a lady, whose whole income consists of £157 2s. 6d., derived from leasehold ground-rents near King's Cross, bought for her by a thoughtful, thrifty husband some time back. She receives £194 2s. 6d., and pays the freeholder £37. She has only a nominal reversion of three days to the rack-rents. In 16 years she loses her income entirely, as the property reverts to the freeholder. Can you tell me upon what principle of right or justice this poor lady is at one swoop to be deprived of 20 per cent. of her income? Is it because the Thames Embankment, and other distant improvements, are supposed to have improved her property? The answer is, her property has depreciated in gross annual value during the last 25 years; but even if it could be demonstrated that these distant improvements have benefited her property, they could not possibly benefit her. If you made London a city of palaces, and paved its streets with gold, she would not be one penny the richer. Her rents were fixed 82 years ago for all her term, and as far as she is concerned they are absolutely unalterable."

Sir Thomas Farrer admitted that this letter "puts a very strong case," and could not deny that there are very many other cases like it, but advocated some taxation of existing ground-rents nevertheless. He said:—"You must always do some injustice, on the one hand or the other."